MELROSE COMPANY

22375 MURRAY STREET
EXCELSIOR MN 55331

August 15, 2014

Mr. Larry Lee
Community Development Director
City of Bloomington
1800 Old Shakopee Road
Bloomington, MN 55431

Re: Southtown Area
Proposed Re-zoning

Dear Mr. Lee:

I recently became aware of the proposed re-zoning by the City of Bloomington for the Southtown area to a mixed-use classification. As you may recall, I was one of the two development principals for Excelsior & Grand in St. Louis Park.

The development team worked collaboratively, in a public/private partnership in a very sincere form of the term, to accomplish what became Excelsior & Grand. By working together, we achieved the goals of all involved and along the way achieved a LEED Neighborhood Designation and a "Walker's Paradise" rating from Walkscore.com. In order to achieve this outcome the city had to take a heroic role of dedicating TIF resources, staff resources and City Council support, among many other things.

Although several years have passed since we started that project, the difficulties in successfully completing mixed-use projects remain in place in our market. Density is not cheap. Structured parking, pedestrian environments and other mixed-use amenities are not yet supported by market rentals. In short, the successful mixed-use project in this market will still require heroic involvement by the community in which it is located.

By re-zoning an area into a mixed-use designation, without the resources dedicated to make it successful at the community level, may lead to a negative outcome for all involved.

I would encourage The City of Bloomington to reconsider the effort to re-zone the Southtown area until a re-development is imminent, then work collaboratively with the development sponsor and be backed by the community resources necessary to make such a re-development a success for all involved.

Very truly yours,

Robert H. Cunningham
Principal